

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

COUNTRY Hungary
SUBJECT Industrial Installations

PLACE
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DATE OF INFO

NO. OF ENCLS.
(LISTED BELOW) 50X1

SUPPLEMENT TO
REPORT NO.

50X1

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1. One of the main goals of the Hungarian government was the industrialization of the country. After world War II the government exerted every effort not only to rebuild the factories damaged during the war, but to build new plants. Beginning in 1947, Hungarian factories, with very few exceptions, were nationalized; at that time many smaller independent factories were merged. Nationalized industries looked for direction to the Ministry for Heavy Industry, the Ministry for Light Industry, and the Ministry of Mining and Power; those factories which produced war materials were under the supervision of the Ministry of War.. The only enterprises under direct Soviet supervision were those plants working on reparations for the USSR; workers were Hungarian, the administration, Soviets.. Accident prevention was taken seriously in all factories and necessary precautions were taken, but [redacted] no plant which had elaborate air conditioning or double walls around apparatus. 50X1
2. Industrially, the greatest progress was made in the electrification of the country; many new electric power stations were being constructed. Most industrial products have been of poor quality since the Communists took over. Before the war Hungary was famous for its leather; [redacted] leather was of very poor quality and hard to get. According to rumor this was because hides were exported to the Soviet Union and East Germany. There was a shortage of precision instruments, electronic equipment, and resistance wire in Hungary. 50X1

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3. [] the following metal smelting and manufacturing plants in Hungary:

- (a) Diosgyo Vasmuevek (Diosgyo Iron Works) located near Miskolc at Diosgyo /5806N-2044E/ was one of the largest plants in Hungary. It produced machinery and war materials, such as artillery. This plant was under the supervision of the War Ministry; Hungarian officer cadres visited this plant as part of their training program.
- (b) Danube Iron Works (Dunai Vasmue), under construction since [] south of Budapest at Stalinvaros (formerly a village named Dunapentele), was to be a large iron works employing several thousand workers. A town was built at the project to house employees of the plant. High school and university students and office workers volunteered to work on this project as laborers during holidays and summer vacation. They were paid for their work; a portion of their wages was deducted for board and they lived in tents. [] a big smelting furnace was completed and was being used. 50X1
- (c) Rakosi Matyas Works (Rakosi Matyas Muevek), formerly the Manfred Weiss Works, was located in Csepel /4726N-1905E/ in Budapest. It produced airplane and automobile motors, motor-cycles, and sewing machines. Cadmium was used at this plant in the production of turbines. Tibor Toeroek was in charge of the spectral analytical laboratory at the plant.
- (d) Near the town of Inota a large heavy industry plant was under construction.
- (e) Wagon Factory of Gyor (Gyor Wagon Gyar) located at Gyor /4742N-1741E/ produced locomotives and railroad cars, and heavy machinery.
- (f) Istvan Telki Foemuehely was a railroad car and locomotive factory near Budapest.
- (g) Machine factory in Ozd /4813N-2018E/ included a blast furnace; it produced war materials and artillery and was administratively under the Ministry of War.
- (h) Kecskemet Machine Factory (Kecskemeti gepgyar) in Kecskemet /4655N-1945E/, was under the Ministry of War and produced war materials.
- (i) Debrecen Wagon and Machine Factory (Debreceni wagon es gepgyar), located in Debrecen /4730N-2135E/, was a steel plant and machine factory.
- (j) Airplane factory (Ikarusz), at Matyasfold in the Pest region, made automobile bodies.
- (k) There was a steel plant in the coal mining district of Salgotarjan /4806N-2047E/.
- (l) EMAG (possibly Egyesult Magyar Allami Gepgyar - United Hungarian State Machinery Plant), in the Budapest region, produced agricultural machinery.
- (m) Dimavag machine plant in the Budapest region made bicycles.

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- (n) "Aprillis Negy" (April Four) was the name of a machine plant in Budapest.
- (o) Mavag was a forging and cylinder works in Budapest.
- (p) Vacuum Technical Machine Factory (Vakuumtechnikai gepgyar) was under construction in Budapest.

4. The chemical industry was not highly developed in Hungary. All supplies had to be ordered six months in advance through Chemimpex, the State importing agency. A great many of the salts came from England. Phosphoric acid and activated charcoal were particularly hard to get. Mercury cost 30 forints per kilo. Liquid air and nitrogen were obtainable in Budapest. Hungary had pyrites but most were imported from Yugoslavia. (the political situation had any effect on this trade.) The following chemical plants were located in Hungary:

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- (a) Hungaria was one of the largest plants in Hungary; it had several branches, and employees of the company in Budapest alone numbered two thousand. The main plant occupied an entire block at Illatos ut and Ken utca, Budapest IX. Hungaria produced sulphuric acid, nitric acid, heavy acids, muriatic acid, chlore gas, phosphates, chlorine and chlorine compounds (by electrolysis), metallic sodium; it also produced glue from bones. Its laboratory was neither large nor modern.
 - (1) One branch of Hungaria, located in Budateteny near Budapest, produced rubber products, ie, tires for automobiles, motor-cycles, and bicycles, and rubber bathing caps. It also turned out small quantities of hydrogen peroxide (made by electrolysis).
 - (2) Pet Nitrogen Works. (Peti Nitrogen Muevek), located in Pet /4710N-1808E/, was the largest manufacturer of phosphates in Hungary; I believe that this company exported phosphates to the USSR. It also produced nitric acid in large quantities.
- (b) Ruggyanta rubber factory, on Kerepesi ut in Budapest, produced synthetic rubber. The raw materials probably came from the USSR.
- (c) Krayar Varnish and Paint Factory (Krayar Lakk es Festek Gyar), located in the Csepel district of Budapest, formerly got its dyes and paints from IG Farben. Subsequently it began producing synthetic dyes; research on the production of synthetic dyes was also carried on at this plant.
- (d) Petfueroe Nitrogen Works (Petfueroe Nitrogen Muevek), produced nitric acid and phosphates. The plant also did research on alkilamine synthesis.
- (e) Hydroxygen plant, located in Budapest, produced liquid oxygen, liquid nitrogen, liquid air, and hydrogen hyperoxide. The products were sold both in large and small quantities. The laboratory was not large; there were about four electrolysis rooms, each 20-30 m. There were about 40 electrolysis cells in each room.
- (f) The Fuezfoe Laboratory was doing work on explosives prior to 1944


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5.  electrical equipment manufacturers in Hungary 50X1 included:

- (a) Ganz Electric Factory (Ganz Villamosagi Gyar), located in Budapest, produced electrical equipment, dynamos, and control equipment (vezerloer berendezes). It employed some one thousand workers.
- (b) Varta factory produced accumulators; it was also in Budapest.
- (c) Erdelyi es Szabo factory, located on Liliom utca, Budapest IX, produced laboratory equipment and precision instruments, as well as electrical measuring instruments such as Feussner compensators.
- (d) The former Calderoni Instrument factory was absorbed by Erdelyi es Szabo factory, which came under the supervision of the Ministry of Light Industry.
- (e) A small plant in Budapest managed by Eng Zelenka produced equipment for measuring dielectric constant. It may have been absorbed by the Erdelyi es Szabo factory.
- (f) The United Incandescent Lamp Works - Tungsram Complex - (Egyesult Izzolampa Gyar) in Ujpest, may not have been nationalized because of the Swiss capital invested in it. This factory had one of the largest and most modern laboratories in Hungary. There were some one thousand workers employed by the factory. An employee, Antal Budincevics, produced a Geiger counter, but he was not able to make the tubes for it. Radio tubes were manufactured at this plant. Within the last three years, the telecommunications research laboratory (Tavkozlesi Kutato Laboratorium) was set up. Little was known about its operation since it worked on secret projects under the direction of the War Ministry. The factory produced light bulbs, oscillographs, electron tube instruments, radio tubes and null balance instruments, (a new product of the factory); these instruments were not produced in Hungary before the war. Research was also done on the more economical use of tungsten filaments in bulbs.
- (g) Electric Meters Factory (Elektromos meroemeszerek gyara), Budapest, produced laboratory equipment, precision instruments, electric measuring instruments, ie, ampere meters, volt meters, capacity meters, Ohm meters. It employed some 500 workers.
- (h) Medical Instrument Factory (orvosi muszer gyar), Budapest, produced medical instruments.
- (i) Standard factory in Budapest produced telephone equipment, radio tubes, and the radio receiver, Nepradio, (people's radio) which sold for 400 forints.

6. Electrification of all Hungarian villages has been envisaged in the five year plan by the end of 1956, and many power stations were being constructed. Power stations were located or under construction at the following places:

- (a) Banhida 4735N-1824E in Transdanubia,
- (b) Matra mountains (under construction),

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- (c) Tiszaloeke (under construction),
- (d) Inota, south of Budapest (under construction).

7. Below are listed several other installations; I have no further information concerning them.

- (a) Hutter, near Budapest, processed seeds from sunflowers, flax, and poppies for oil.
- (b) Goldberger Textil Gyar in Lajos Utea in Obuda was the largest textile plant in Hungary; there were several other textile factories in Győr, Szeged 4615N-2009E, and Budapest.
- (c) Wolffner, the largest leather factory in Hungary, was located in Ujpest. The products manufactured by this company were of poor quality, although the same factory, prior to the Communist regime, had a world wide reputation for the excellent quality of its products.
- (d) Metallochemia was a non-ferrous metal plant in the Budapest region.
- (e) The Hungarian-American Oil Company (Maort-Magyar-Amerikai Olaj Reszveny Tarsasag) which has been nationalized, was located in Southwest Hungary.
- (f) The Dreher distillery, located in Koebanya in Budapest, also made chocolate and candy.
- (g) One of the largest candy and chocolate factories in the country was located in Győr; there were also chocolate factories in Budapest and Szeged. Chocolate was very rare in Hungary.

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